

M/023/003

BRUSHRESOURCES

A Brush Engineered Materials Inc. Company

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Tom Munson
Utah Div. Of Oil, Gas and Mining
1594 W. North Temple, Suite 1210
P.O. Box 145801

Date: October 10, 2002

CERTIFIED MAIL (rr) No. 70001530000352340771

SLC, Utah 84114-5801

Ref: Topaz Mining Properties, M/023/003, Juab County

Dear Tom:

Alex, John and I thank you for arranging the meeting, on Monday, October 7th, with you, Mary Ann, Wayne and Doug. We appreciate the group's awareness of the crisis the nation's surety bond markets are experiencing. Unfortunately, CNA, the holder of our current surety bond, and its many subsidiaries have opted out of this market.

Since there is a mutual interest in maintaining adequate surety for the Topaz Mining Property, we feel the agreement reached during our meeting on Monday to "**suspend**" the future mining expansion into the Rainbow #2 and Section 16 S #1 planned mine areas **through 2003** is appropriate, subject to the surety amount being reduced to the previous plan level of **\$311,300**. This will be secured by Brush through an Irrevocable Letter of Credit (ILOC) and documented through the appropriate Division surety application and contract forms that you provided at the conclusion of our meeting on Monday, October 7.

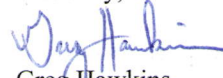
We also understand that at the end of 2003 either an appropriate escalation adjustment for suspension continuance or an amended Mining Reclamation Plan will be submitted and approved with the appropriate approved surety.

We further understand that mining within any of the current disturbed footprint and permitted areas can continue provided that the new surety (ILOC) and reclamation contract are in place prior to the expiration of the current surety bond.

I believe this letter of request meets the requirements outlined for DOGM's approval of the modified form and amount of surety. Once we have received your written approval we will pursue appropriate ILOC surety. We further understand that the 60 day deadline established by the Division requires that new surety be in place no later than the end of October, 2002.

Thanks you for your cooperation and understanding in light of the current surety markets situation. We anticipate your quick approval in order to meet the surety deadline.

Sincerely,


Greg Hawkins
Vice President

cc: Alex Bolton
Susan Callister
John Wagner

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